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RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHBY/AMEMBASSY CANBERRA 0037
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NSC FOR SENIOR AFRICA DIRECTOR
STATE PASS TO USAID FOR L. DOBBINS AND J. HARMON
COMMERCE FOR ROBERT TELCHIN

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SUBJECT: ZIM NOTES 02-19-2010

[1](#)1. SUMMARY

Mugabe Welcomes Codel Meeks/Watt...
Journalist thrown out of Mugabe/Codel meeting...
Diamond Drama Continues...
Zim Agrees to KP Monitor...
Court Orders Mining at Chiadzwa to Stop...
EU Extends Targeted Sanctions on Zimbabwe...
ZANU-PF Hijacks Civil Servants' Strike...
Police Arrest WOZA Members...
Mexican Journalist Arrested...
HRW Calls Gov't a "Failure"...
Rising Cost of Living Fuels Wage Demands...
Tobacco Selling Season Starts on High Note...
Companies Resort to Rights Issues...

On the Political and Social Front

[1](#)2. Congressmen Gregory Meeks (D-NY), Melvin Watt (D-NC), Jack

Kingston (R-GA), and Bob Goodlatte (R-VA) visited Harare this week and had a nearly two-hour long meeting with President Mugabe at State House. The delegation also met with Finance Minister Tendai Biti and visited a USAID-funded livelihoods project. Friday's Herald featured a large photo of Congressman Meeks and Mugabe shaking hands next to the headline "US pledges dialogue."

13. Freelance journalist (and correspondent of the Zimbabwe Times) Nkosana Moyo was escorted by the CIO out of a meeting between President Robert Mugabe and the visiting Congressional Delegation. Moyo tried to record the proceedings of the meeting when the CIO accosted him and took him out of State House. He told PAS that they gave him a 20- 30 minute lecture about patriotism. "They told me I should not be used by the Americans to demonize Zimbabwe, and took all my details- address, phone numbers, next of kin, rural home- and let me go," said Moyo. Moyo said he could not go back to State house to cover meeting because "I was no longer a in a state of mind to do anything."

14. Transcripts of closed-door hearings led by the parliamentary committee on mines and energy have revealed probable corruption and a lack of oversight in the troubled Chiadzwa diamond fields. The committee, led by the ZANU-PF former Mining Minister Edward

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Chindori-Chininga, has grilled senior leadership from the parastatals Zimbabwe Mining Development Corporation (ZMDC) and the Minerals Marketing Corporation of Zimbabwe (MMCZ) on their lack of oversight of the two joint ventures operating in Chiadzwa, Mbada Diamonds and Canadile Miners in several hearings this month. Mining Minister Obert Mpofu is allegedly due to testify soon as well.

15. This week Zimbabwe agreed to allow a South African industrialist with extensive diamond mining experience, Abbey Chikane, to serve as the resident monitor for the Kimberley Process Certification Scheme (KPCS) after several other potential monitors were rejected. Chikane's appointment is the result of the KP work plan developed in October 2009 at the KP Plenary in Namibia. Chikane is to have "unfettered" access to Chiadzwa is will need to approve of diamond shipments before they can be granted a KP certificate.

16. The Supreme Court has ruled that ZMDC and the MMCZ must stop mining operations at Chiadzwa pending finalization of the ownership dispute with African Consolidated Resources (ACR). Although ZMDC's two partners, Mbada and Canadile, may remain on site, they have been ordered to stop operations. In the meantime, the GOZ has reportedly cancelled ACR's license to mine the Chiadzwa fields, giving it up to March 10 to lodge an appeal. ACR contends the cancellation is unlawful.

17. On February 16, the EU extended targeted sanctions on Zimbabwe for another year and also removed six individuals (mostly deceased) and nine companies from the list. Of note, sanctions were lifted on Dumiso Dabengwa, a former ZANU-PF Minister of Home Affairs, who left ZANU-PF two years ago to reform ZAPU. The EU justified the extension on the lack of progress in the implementation of the GPA. Although ZANU-PF dismissed the extension of the sanctions as a non-event, it has nevertheless said it will not make any concessions in the GPA talks until all the sanctions are removed.

18. Striking civil servants have said that ZANU-PF has hijacked the strike for political reasons. Civil servants' representatives reported that ZANU-PF was forcing teachers to join the strike. They

reported that in Masvingo province in southern Zimbabwe, ZANU-PF and the CIO forced Victoria High School to close at gun point and ordered the teachers to join the strike. The civil servants are pressing the government to increase their \$150 monthly wages to a minimum of \$630. The government has said it can only increase the paltry wages by a further \$16 because it has no money.

¶9. On February 17 the police arrested two members of Women of Zimbabwe Arise (WOZA) in the eastern city of Mutare. One of the women, Rose Rukweto, is an elderly woman who suffers from hypertension. The police arrested the women at their homes for no apparent reason other than to harass them after they had participated in a WOZA protest march on February 16. Although the police admitted they have no evidence to charge the women, they insisted on detaining them for 48 hours--the maximum period the police can hold a suspect in detention before they must appear in court. The women were initially denied access to their lawyer for several hours.

¶10. In Masvingo on February 12, police arrested a Mexican journalist who was filming potential tourist sites. The journalist,

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who was in a vehicle belonging to Minister of Tourism Walter Mzembe (ZANU-PF) and who had a letter of authorization signed by Mzembe, was held for several hours before being released after Mzembe's personal intervention. Mzembe later fumed, "We cannot attract tourists if we do not look at our law and order. [The journalist] wanted to film for Mexican tourists ahead of the World Cup in South Africa, but the first call I received once he got there was he was at a police station. He has understood that we are in a transition and we have said it will not happen again."

¶11. Human Rights Watch issued a harsh statement this week, calling the inclusive government a "failure." According to HRW's Director, Georgette Gagnon, "The transitional power-sharing government is a sham. From a human rights perspective, nothing has changed for the better. Robert Mugabe and ZANU-PF are still fully in control." HRW went on to call for the government to begin preparations for holding internationally supervised free, fair, and credible elections that will lead to a legitimate and democratic government with the political will to bring about change. An article in The Economist this week also suggested early elections wouldn't be a bad idea:
http://www.economist.com/world/middleeast-africa/displayStory.cfm?story_id=15549373

On the Economic and Business Front

¶12. According to the Consumer Council of Zimbabwe (CCZ), the average cost of a basket of goods for a family of six rose by about seven percent from \$488.11 in December 2009 to \$520.53 in January 2010. The jump was attributed to an anticipated increase in civil servants' salaries and high utility tariffs. To the extent that CCZ figures are now the basis for determining minimum wages in the public and private sectors, there will be more pressure for a general rise in wages.

¶13. The opening of this year's tobacco selling season started on February 9 amidst expectations of substantial growth in the quantity

sold. The Tobacco Industry Marketing Board (TIMB) projects sales this year of 77 million kilograms, up from 56 million in 2009. The TIMB cites favorable prices and an increase in the number of farmers growing the crop as the main factors behind the increase. The use of the out-grower schemes has attracted a lot of farmers since they are well supported by tobacco merchants when compared to other commercial crops.

¶14. Liquidity constraints in banks and the high cost of borrowing have forced most companies to go for rights issues and private placements to raise money for expansion projects. During the week under review, for example, two publicly listed companies proposed to raise a total of \$40 million through both rights issues and private placements.

¶15. "We know their attitude. They do not want anyone, any country in the developing world to make any meaningful development strides." -- President Robert Mugabe, referring to the West's alleged efforts to block development in Africa, at the opening of

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the Pan-African Tourism Investment Summit in Harare, February 17, ¶2010.

RAY
Dhanani